

Message Text

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DRAFTED BY ARA/PAN:RBHOWARD:BK

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FM SECSTATE WASHDC

TO AMEMBASSY PANAMA IMMEDIATE

S E C R E T STATE 239013

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CANALNEGS

E.O. 11652: XGDS

TAGS:PFOR, PN

SUBJECT: PANAMA CANAL NEGOTIATIONS: WASHINGTON ACTIVITIES

FOR BELL FROM WYROUGH

----- I.

THIS IS MESSAGE NO. 9 FROM THE DEPARTMENT RESPECTING
SEPTEMBER 1975 NEGOTIATING ROUND.

----- II.

1. AMBASSADOR BUNKER MET YESTERDAY WITH 20 REPRESENTATIVES
OF LEADING NEWSPAPERS AROUND THE COUNTRY TO DISCUSS CANAL
NEGOTIATIONS. DURING THE DISCUSSION PERIOD, A MAJORITY
INDICATED WILLINGNESS TO SUPPORT THE NEGOTIATIONS. SEV-
ERAL, WHO WERE APPARENTLY INCLINED TOWARD OPPOSITION, COM-
MENTED THAT THEIR POSITION WAS CHANGED BY THE MEETING.
THE NEWSPAPER PEOPLE WERE INVITED FOR EVENING COCKTAILS AT
THE HOME OF DEPUTY ASSISTANT SECRETARY FOR PUBLIC AFFAIRS,
WILLYAM-BLAIR. FIRFER ATTENDED, AND MADE TWO INTEREST-

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ING IN-DEPTH CONTACTS. ONE WAS THE EXECUTIVE EDITOR OF THE

TENNESSEAN (PRO-TREATY) AND A SECOND WAS EXECUTIVE EDITOR OF THE SAN DIEGO UNION (ANTI-TREATY). THE LATTER EXPLAINED

THAT HIS PAPER'S OPPOSITION TO THE TREATY REFLECTED ITS CONSTITUENCY OF CONSERVATIVE ELEMENTS. BOTH EXPRESSED AN INTEREST IN GETTING TOGETHER WITH FIRFER FOR FURTHER TALKS. AN EDITORIAL WRITER FROM THE PROVIDENCE JOURNAL WHO HAD ATTENDED THE SESSION YESTERDAY CALLED ME TODAY FOR FURTHER INFORMATION IN CONNECTION WITH A "FAVORABLE" ARTICLE HE IS DOING FOR TOMORROW'S EDITION.

2. VENEZUELA'S FOREIGN MINISTER RAMON ESCOVAR SALOM IS SCHEDULED TO LUNCH WITH THE SECRETARY ON OCTOBER 9 AND PAN HAS PREPARED TALKING POINTS ON THE CANAL ISSUE.

3. THE PRESIDENT IS MEETING THIS MORNING WITH CONGRESSIONAL LEADERS AND WE UNDERSTAND THAT MATERIAL ON THE CANAL ISSUE HAS BEEN INCLUDED IN HIS BRIEFING BOOK.

4. WE HAVE NOT YET RECEIVED SPECIFICS REGARDING PRESIDENT FORD'S MEETING WITH COLOMBIAN PRESIDENT LOPEZ. MARY BROWNELL ADVISES THAT THE DISCUSSION WAS GENERAL, BASICALLY POSITIVE, AND THAT UNILATERAL ACTIONS WERE TOUCHED UPON. MARY CONFIRMED THAT LOPEZ DID NOT BRING ANY "MESSAGE" FROM GENERAL TORRIJOS.

5. AMBASSADOR BUNKER HAS HIS DRAFT REMARKS FOR THURSDAY'S FOREIGN POLICY ASSOCIATION APPEARANCE. THEY DERIVE FROM HIS "SHORT FORM" SEATTLE SPEECH WITH A SUMMARY OF RECENT EFFORTS. I WILL BE ACCOMPANYING HIM.

6. BUNKER MEETING WITH PANAMA CANAL COMPANY BOARD OF DIRECTORS. AMBASSADOR BUNKER'S MEETING WITH THE BOARD ON OCTOBER 4 WENT SMOOTHLY. AFTER HE REPORTED ON DEVELOPMENTS IN THE NEGOTIATIONS SINCE YOUR SESSION WITH THE BOARD LAST JULY, BOARD MEMBERS RAISED REPEATEDLY THE MATTER OF EMPLOYEE MORALE (SEE BELOW) AND INQUIRED WHETHER SOME ASSURANCES COULD NOT BE MADE. THEIR DISCUSSION OF THE WATER RATE QUESTION PRECEDED OUR ARRIVAL (SEE BELOW).

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7. CANAL COMPANY EMPLOYEE MORALE. AT THE PANAMA CANAL COMPANY BOARD MEETING ON SATURDAY, THERE WAS CONSIDERABLE TALK ABOUT THE LOW MORALE OF THE CANAL COMPANY EMPLOYEES AND THE ZONIANS. ALMOST TO A MAN (AND WOMAN) THE BOARD MEMBERS RAISED THIS PROBLEM WITH AMBASSADOR BUNKER. THEY THINK IT IS MOSTLY THE RESULT OF THE UNCERTAINTY WITH WHICH THE EMPLOYEES VIEW THEIR FINANCIAL FUTURE. SOME EMPLOYEES, FOR EXAMPLE, WERE CITED AS HAVING COME TO THE CONCLUSION

THAT THE TREATY WILL BE A PERSONAL DISASTER FOR THEM
BECAUSE THE PANAMANIAN MINIMUM WAGE LAW WILL BECOME BINDING
ON ALL PERSONS EMPLOYED IN PANAMA WITHIN THREE YEARS OF THE

TREATY'S EFFECTIVE DATE, AND THAT HENCE, THEY WILL BE
REDUCED TO 50 CENTS AN HOUR WAGE. MR. ROGERS HAS ASKED
THAT WE DEVELOP A POSSIBLE STATEMENT, WHICH WOULD BE
MADE PERHAPS THROUGH GOVERNOR PARFITT, AND WHICH WOULD
AT LEAST RESOLVE SOME OF THE MORE CLEARLY ERRONEOUS IM-
PRESSIONS NOW FLOATING AROUND THE ZONE. WE EXPECT TO HAVE
AN IN-HOUSE DRAFT BY EARLY TOMORROW WHICH WE WILL THEN
CONSIDER COORDINATING WITH VEYSEY'S OFFICE. IN LIGHT OF
YOUR MESSAGE NO. 4 YOU MAY WISH TO SEE THE DRAFT TEXT
BEFORE WE COORDINATE IT WITH THE ARMY. CLEARLY, WE WILL
WANT ALSO TO COORDINATE WITH THE PANAMANIAN IN SOME WAY
IF WE SHOULD CHOOSE TO GO FORWARD WITH A STATEMENT.

8. WATER RATES. ROGERS IS SENDING A SEPARATE MESSAGE
REGARDING THE PAN CANAL BOARD OF DIRECTORS DECISION
(OCTOBER 4) TO BILL PANAMA FOR NEW WATER RATES EFFECTIVE
OCTOBER 1.

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